

## **ST. LAWRENCE AND ATLANTIC RAIL UPGRADE**

### **Project Description**

The St. Lawrence and Atlantic Railroad (SLR) Upgrade Project will improve the rail corridor connectivity of northern New England to the national and international rail network, offering access to Class 1 railroads including CSX, Norfolk Southern (NS) and Canadian National Railway (CN). The railroad corridor directly connects to the Port of Portland, Maine and facilitates connections to the Ports of Vancouver/Prince Rupert, New Orleans/Mobile, and Halifax. It also provides direct access to and from a number of key Canadian markets, as well as longer-distance international destinations in Mexico with the railroad's CN Alliance routings. Ensuring that this connectivity is preserved and enhanced is critical to the continued viability of freight rail in the region and the economic development of the North Country in New Hampshire. The rail upgrades proposed in this application will replace 20.6 miles of rail with continuous welded, control-cooled rail that allows for larger-size 286,000 pound rail cars thus completing a rail corridor project that began a decade ago.

In the early 1990s, the SLR began replacing obsolete non-control cooled rail on its main line running from Portland, Maine through southern Maine, the North Country of New Hampshire, and the Northeast Kingdom of Vermont to the Vermont - Quebec border through a combination of private investment and state and federal grants. The Departments of Transportation in New Hampshire, Vermont, and Maine have worked closely with the railroad since that time to continue the momentum. The main line rail in the State of Maine has already been replaced, and all but three miles of the rail have been replaced in Vermont. This project would complete the collaborative effort of the states and railroad to improve the corridor by replacing the remaining 20.6 miles of old rail in Coos County, New Hampshire, and Essex and Orleans Counties, Vermont.

The St. Lawrence and Atlantic Railroad operates over 260 miles of contiguous mainline track between Portland, Maine and Ste. Rosalie, Quebec. It provides an east-west route in an area of New England that has very limited east-west highway connectivity.<sup>1</sup> The railroad connects to the St. Lawrence & Québec (SLQ) railroad at the New Hampshire-Québec border and continues on

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<sup>1</sup>“Northeast CanAm Connections: Integrating the Economy and Transportation, Final Report,” August 2009 located at <http://www.canamconnections.com/>.

toward Montréal and connections to Canadian National Railway. SLR connects to Pan Am Railroad in Maine as well, providing a north-south link into the national rail network and to points farther south via CSX and Norfolk Southern (NS).

St. Lawrence and Atlantic Railroad operates over 54 track miles in Coos County, New Hampshire, part of its main line connecting Quebec and Maine. In New Hampshire, SLR serves freight rail customers located in Groveton, Gorham, and Berlin. The railroad supports the paper, lumber and steel industries in the North Country of the state, which serve as major sources of industrial sector employment in the area.

To summarize, SLR provides a very strategic route for northern New England to connect with the rest of the North American rail network and this rail corridor upgrade will significantly improve the competitiveness of rail shipping in this region benefiting industrial shippers and receivers as well as supporting goods movement by rail thus reducing dependence on highway-based truck shipments.



The benefits that would result from the rail upgrade project are significant and include:

- State of Good Repair
  - Upgrading the line to carry 286,000 pounds rail cars.
  - Replacing the old, inferior non-control cooled rail with modern, new rail.
- Economic Competitiveness
  - Allowing local rail customers to use heavier rail shipments, reducing their costs of transportation and making their business more competitive.
    - Shipper cost savings are estimated to be \$46.7 million.
  - Making the line much more attractive to future industrial sector companies considering the location of facilities in Coos, Essex, and Orleans Counties.
  - Improving access to national and international markets with the improved rail corridor that will accommodate 286,000 pound rail cars, the standard toward which the freight rail industry is moving.
- Safety
  - Facilitating rail movement of hazardous materials rather than transporting this material on local roads.
  - Decreasing the number of accidents on highways by reducing the overall vehicle miles traveled by autos and trucks and reducing the highway wear and tear.
    - Accident reduction benefits are estimated to be \$5.5 million.
    - Pavement maintenance reduction benefits are estimated to be \$18.5 million.
  - Reducing the frequency of rail failures and delays caused by emergency repairs.
- Livability
  - Laying the groundwork for new long term jobs in the region, potentially providing an incentive for new business to locate in economically distressed areas.
  - Reducing traffic congestion.
    - Congestion reduction benefits are estimated to be \$17.2 million.

- Sustainability
  - Decreasing fuel dependency.
    - Average annual fuel consumption will be reduced by 183,152 gallons.
  - Improving the environment by reducing emissions.
    - Emissions costs are estimated to be reduced \$434 thousand.
    - Average annual CO2 emissions will be reduced by 4,285 tons.

Based on these significant benefits and the relatively modest cost to complete this key rail corridor, we estimate a strong return on investment for this project. The estimated benefit-cost ratio ranges from 1.7 to 3.2 (depending on the discount rate) with a balance of public and private benefits. There is substantial impetus behind this project, as evidenced by the fifteen letters of support included as an attachment to this application. A significant level of work, as well as public and private funding, has already been put toward improving the rail corridor, another indication of the project's breadth of support.

### Grant Funds and Sources/Uses of Project Funds

The SLR project to complete this rail corridor will require \$10 million for construction. Despite being located in a rural area, and consequently exempt from the local match requirement in TIGER II, the St. Lawrence and Atlantic Railroad will provide \$2 million of the funding for this work effort (20%). This application is seeking \$8 million in TIGER II funding to cover the other 80 percent required to finish the rail corridor upgrades, as shown in Table 1.

**Table 1: Total Application Funding by Source and Category in Millions of Dollars**

PROJECT	TIGER II	St. Lawrence & Atlantic Railroad (SLR)	Total
St. Lawrence and Atlantic Railroad Improvements	\$8.0	\$2.0	\$10.0
<i>Percent of Total Project</i>	80%	20%	

### Project Schedule

Preliminary, final and value engineering services are expected to be complete in the first and second quarters of 2011. Project construction is anticipated to begin in late April of 2011 with a

winter break beginning in October 2011. Construction will resume in April of 2012 and be finished in October of that same year.

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
RFP for Rail/Contractors								
Engineering								
Bidding								
Construction								
Project Completion								

## Project Parties

The recipient of TIGER II funds will be the New Hampshire Department of Transportation (NHDOT). The NHDOT has administered numerous Federal Railroad Administration grants in addition to its role as the state highway agency and the administrator of funds from the Federal Transit Administration. The NHDOT will contract with the St. Lawrence and Atlantic Railroad for the execution of this project.

## Selection Criteria

### Primary Selection Criteria: Long-Term Outcomes

#### State of Good Repair

In the 1990s when replacement of the rail on the SLR began, the rail on the line was already 80 to 90 years old. The existing non-control cooled rail has experienced significant variances in its metallurgical structure over time. Although the rail has met, and in some cases, exceeded its useful life, it is in need of replacement in the near term to ensure its continued safe use and to further the opportunity for business expansion on the line.

Along with the rail's weakening structural integrity (as shown in the photograph), the existing rail can only accommodate a 263,000 gross (total) weight rail car. This is the current minimum capacity that a rail line must be able to interchange and handle. In recent decades, however, shippers have been employing freight cars with a gross weight of 286,000 pounds. As such, the official standard of 263,000 pounds is quickly being replaced by the heavier 286,000 pound rail cars which provide greater cost efficiencies by shipping more product per carload. The SLR rail corridor





improvements will bring the entire line up to the 286,000 pounds standard toward which the industry is headed. The remaining old rail will be replaced with 115 pound continuous welded rail with an anticipated lifespan of at least 60 years.

Failure to upgrade the line will limit the ability of the North Country region to attract industrial development that requires rail service or is otherwise freight dependent. The interest of potential shippers in locating at vacant industrial sites in the region is greatly reduced by the 286,000 pound weight standard and its constraint on the availability of freight rail service.

Maintaining the railroad in a state of good repair is consistent with local and regional transportation planning policies. The 2009 Regional Transportation Plan adopted by the North County Council, the regional planning commission for northern New Hampshire, emphasizes the importance of supporting the maintenance and improvement of the transportation infrastructure necessary to sustain local economies and build sub regional job centers. This includes the freight railroad system.

### **Economic Competitiveness**

The SLR supports the paper, lumber and steel industries in the North Country of New Hampshire and the project area generally. Historically, these businesses are some of the larger employers in



the region. Fraser Paper and Isaacson Structural Steel (as shown in the photo) in New Hampshire rely on the SLR, as do The Maine Wood Treaters in Mechanic Falls, Maine, as well as other businesses. The SLR connects these businesses to the national rail system, the Class 1 CSX, CN and NS railroads, and to international ports on all three coasts. It also provides international access to Canada and Mexico. Without these rail improvements, this continued connectivity is at risk.

With the proposed improvements and upgrade to 286,000 pound rail car capability, there is the opportunity for increased traffic on the railroad and economic development in the area. Current customers will be able to transport heavier carloads than they do today, and new customers may consider the railroad a viable alternative to trucking if the line is equipped to accommodate the heavier rail cars. The analysis conducted for this application estimates that this upgrade is likely to lead to 8,538 additional annual carloads (649,059 tons) and a cumulative shipper cost savings of \$46.7 million due to the lower per ton mile shipping costs of rail compared to truck.

The upgraded rail also improves the operating efficiency of the existing railroad and provides the opportunity for growth in intermodal transportation. For example, being equipped to handle 286,000 pound intermodal cars into and out of the SLR intermodal terminal in Auburn, Maine,

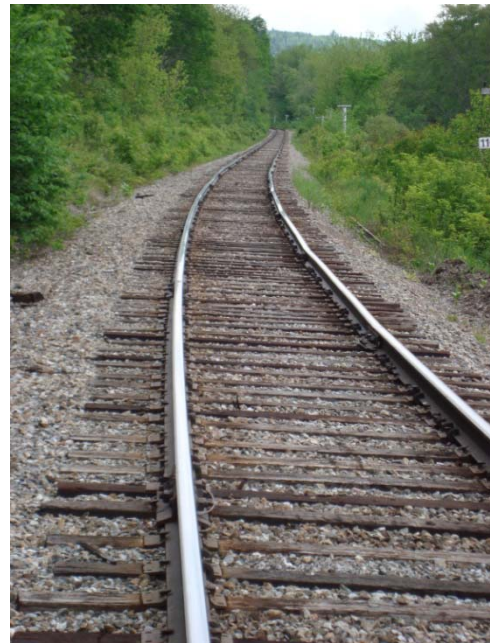
will make the facility more competitive and help the markets served by that terminal. In a larger intermodal sense, 286,000 pound capability will open up additional rail/truck transloading opportunities by improving the rail economics to support the transloading costs associated with such operations. SLR has a large operation outside of Auburn, Maine, that provides transloading and other services, and there is private sector interest in developing a similar type of operation for a transloading facility in Coos County, New Hampshire if and when this corridor project is completed.

The improvements made to the rail will help ensure the retention of existing rail shippers and industrial employment in the North Country of New Hampshire while supporting the international competitiveness and potential expansion of these companies. Additionally, new industrial businesses may choose to locate in the region based on the railroad's services and improved rail corridor connectivity, capacity, and reliability.

### Safety

Reconstruction of the rail in the SLR main line will reduce the risk of derailments due to failures associated with the old rail. This corridor handles over 20,500 annual rail carloads of traffic annually, helping keep 82,000 loaded truck trips off of local roads and highways. Maintaining this traffic on the rail corridor will reduce highway congestion and improve highway safety.

Based on employee injuries, railroads are significantly safer than truck transportation. In addition, this project facilitates the rail movement of hazardous materials which keeps this material off of the local roads. The freight railroad industry's record in moving hazardous materials safely is excellent. More than 99.99 percent of rail hazmat shipments reach their destination without a train accident-caused release.<sup>2</sup>



Once the rail is upgraded, heavier cargo will be able to be transported by rail and this will enable some shippers to switch from truck transport to rail. In turn, this will reduce the truck vehicle miles traveled (VMT), and fewer miles traveled mean fewer truck accidents on the highways. The benefit-cost analysis conducted for the application estimates that accident reduction savings associated with the rail upgrade will total \$5.5 million.

The rail upgrade project will also impact grade crossings in the area. All rail in those crossings will be replaced. In New Hampshire, the rail in 26 grade crossings will be replaced. Seven

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<sup>2</sup> Association of American Railroads, "Railroads, Moving America Safely," December 2009.

crossings will receive new rail in Vermont as part of this project. It is anticipated that the frequency of rail failures and delays caused by emergency repairs to the line will also be reduced, as a result of the project.

Finally, moving some freight off of highways will mean less pavement wear and tear, further improving safety on the highways. The benefit-cost analysis conducted for this application estimates \$18.5 million in pavement maintenance savings, simply due to the diversion of freight from truck to rail.

### **Livability**

The SLR rail corridor upgrade project will reduce congestion on the region's highways by improving the competitiveness of rail shipping for freight shippers to transport their goods by rail instead of by truck. The estimated annual average reduction in truck VMT on US highway facilities is 4.9 million miles. This reduction in truck traffic, and the subsequent reduction in roadway congestion, improves the livability of the area. In the analysis conducted for the application, congestion reduction benefits are estimated to be \$17.2 million.

Northern New Hampshire and Vermont have lost a significant amount of employment due to the general economic downturn and specifically, the contraction in the paper industry. As documented in the CanAm Connections Study referenced earlier, the northern New England economy is generally distressed in terms of stagnant and often declining population and employment growth. According to Bureau of Labor Statistics data, employment in Coos and Essex Counties has decreased by 6.4 percent and 28.8 percent, respectively, since 2001. The rail upgrade project will provide existing freight customers better rail economics, potentially loading rail cars 9 percent heavier than current limits allow. This will assist the local economies by helping to attract new industry to the region, which is economically disadvantaged. An improved SLR route is a key industrial development factor for the region.



The Federal Register, dated June 1, 2010, regarding the Notice of Funding for TIGER grants includes *Job Creation and Economic Stimulus* as one of the primary criteria for the evaluation of the grant applications. Included as part of this criteria is that priority will be given “to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly jobs and activity that benefit areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended.” The register further notes that while EDAs are typically defined at the county level, for purposes of this program, municipalities or political subdivisions of a State that



meet the criteria of an Economically Distressed Area as defined in section 301 of the Public Works and Economic Development Act of 1965 can be considered EDAs.

The criteria as outlined in section 301 of the Public Works and Economic Development Act of 1965 are:

- 1) Low Per Capita Income – The area has a per capita income of 80 percent or less of the national average.
- 2) Unemployment Rate above the National Average – The area has an unemployment rate that is, for the most recent 24 month period for which data are available, at least one percent greater than the national average unemployment rate.
- 3) Unemployment or Economic Adjustment Problems – The area is an area that the Secretary determines has experienced, or is about to experience, a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions.

Only one of these criteria must be met for an area to be designated as an EDA.

This criteria was used to assess whether the SLR project area qualifies as economically distressed. Essex County in Vermont meets the criteria for economic distress. Based on data provided by the Bureau of Economic Analysis (BEA), 2008 per capita income for the United States was \$40,166. The 2008 per capita income for Essex County was \$23,256, representing only 58 percent of the national per capita income.

The low per capita income and loss of jobs since 2001 in Essex County, combined with the loss of jobs in Coos County, signal that the project area is hurting economically. As mentioned in the section discussing economic competitiveness, the rail upgrade will facilitate 286,000 pound rail car service that is not currently available to shippers. This improvement offers the opportunity for expanded business and potentially new jobs for this economically disadvantaged population.

An upgraded SLR rail corridor through Coos, Essex and Orleans Counties will become an enhanced east-west route connecting northern New Hampshire and Vermont with the rest of the North American rail network. Through an efficient connection between SLR and Canadian National in Quebec, direct service to ports on all three coasts is possible. The project will assist the region in overcoming an inadequate road network; currently, there is no east-west highway through this area of New England. This will improve connections between commercial areas across the United States and into Canada and Mexico.

Local transportation planning efforts have emphasized the importance of encouraging freight rail line viability in this area. Specifically, the 2009 Regional Transportation Plan adopted by the North County Council, the regional planning commission for northern New Hampshire, supports policies that “encourage and promote the viability of alternative forms of transportation

including, but not limited to, bicycle paths, pedestrian ways, passenger and freight rail lines, multimodal transfer facilities, aviation and rural mass transit systems.” The SLR rail corridor upgrade is consistent with these stated regional policy goals.

### **Sustainability**

A freight train can move a ton of freight nearly four times as far per gallon of fuel as it can be moved by truck, and each ton-mile of freight moved by rail, rather than highway, reduces greenhouse gas emissions by two-thirds or more. One typical freight train handles the equivalent of 280 truck tractor-trailers. The proposed rail upgrade will offer the opportunity for some freight to be transported by rail, rather than by highway, reducing vehicle miles traveled (VMT), for trucks which will reduce highway congestion and vehicle emissions.

Despite the fact that this is a freight rail project, the improvements will enhance and expand the availability of transportation choices through improvements to the existing SLR. Truck traffic will be reduced on roadways, which is estimated to result in emission cost savings of \$434,000. Carbon dioxide emissions are expected to decrease by an average of 4,285 tons annually, as a result of the project. Finally, average annual fuel consumption will be reduced by 183,152 gallons. These considerable environmental benefits further support the project.

### **Benefit-Cost Results**

HDR’s Decision Economics group conducted the benefit-cost analysis for the SLR Rail Upgrade Project using methods and parameters consistent with US Department of Transportation guidelines. All benefits and costs in the analysis are estimated in 2010 dollars. The valuation of benefits uses a number of assumptions that are required to produce monetized values for non-pecuniary benefits. The different components of time, for instance, are monetized by using a “value of time” that is assumed to be equivalent to the user’s willingness to pay for “time savings” in transit. These, as with all other values used in the analysis, are taken from the United States Department of Transportation (USDOT) guidance on the preparation of TIGER applications. Where USDOT has not provided valuation guidance or a reference to guidance, standard industry practice has been applied. (See attached document for complete summary and backup information.)

Project Benefits: Five categories of benefit impacts were measured for this analysis: 1) shipper cost savings; 2) emission reductions; 3) pavement maintenance savings; 4) accident reductions; and 5) freight inventory costs. The freight inventory costs reflect the total estimated travel time of freight shipments. Since freight rail tends to be lower-cost but often longer travel time compared to truck, this impact actually works as a modest negative offsetting impact as the analysis captures the trade-offs between truck and rail modes. The anticipated vehicle miles traveled (VMT) was calculated to estimate the benefits including: pavement maintenance savings, accident reductions, and emissions. All VMT-based estimates (accidents, emissions, pavement damage) reflect mileage or trips within the US on US highway facilities. Thus, the

benefits of all trips or shipments to or from Canada are calculated only “to the border” reflecting the fact that some of the benefits of increased freight rail shipments may accrue to Canada.

**Project Costs:** Costs include the initial capital construction costs of \$9.9 million as well as operating and maintenance (O&M) costs of the SLR rail corridor upgrades. The results for the project are provided using the TIGER II grant recommended discount rate of 7 percent, as well as a discount rate of 3 percent to measure sensitivity.

The benefit-cost ratio (BCR) at the 7 percent discount rate is 1.7 and 3.2 with a 3 percent discount rate demonstrating a strong return on investment of this rail corridor project. These results include US-based shipper cost savings only; there are no Canadian benefits included in the analysis. Shipper costs savings were estimated using the current mix of railroad customers, along with shipment origin and destination data. For all shipments either originating or terminating in Canada, only 50% of the shipper cost savings was allocated to US firms and counted in the benefit-cost analysis. A complete discussion of the Benefit-Cost Analysis methodology is provided as an attachment.

<b>Benefit-Cost Results Discount Rate 7%</b>	Millions of \$	<b>Benefit-Cost Results Discount Rate 3%</b>	Millions of \$
Construction Costs	\$9.9	Construction Costs	\$9.9
Maintenance Costs	\$7.3	Maintenance Costs	\$7.3
<b>Total Costs</b>	<b>\$17.2</b>	<b>Total Costs</b>	<b>\$17.2</b>
Present Value of Total Costs	\$11.4	Present Value of Total Costs	\$13.8
Emissions Benefits	\$0.4	Emissions Benefits	\$0.4
Shipper Cost Savings	\$46.7	Shipper Cost Savings	\$46.7
Freight Inventory Costs	(\$0.8)	Freight Inventory Costs	(\$0.8)
Congestion Relief	\$17.2	Congestion Relief	\$17.2
Accidents	\$5.5	Accidents	\$5.5
Highway Maintenance Savings	\$18.5	Highway Maintenance Savings	\$18.5
<b>Total Benefits</b>	<b>\$87.6</b>	<b>Total Benefits</b>	<b>\$87.6</b>
Present Value of Total Benefits	\$19.2	Present Value of Total Benefits	\$43.9
Net Present Value	\$7.0	Net Present Value	\$27.2
Benefit-Cost Ratio (BCR)	1.7	Benefit-Cost Ratio (BCR)	3.2

As per the TIGER II guidelines, a sensitivity analysis of key variables was performed to determine how responsive the benefit cost analysis results are to changes in key assumptions. The sensitivity analyses conducted as part of the benefit-cost work focused on two key variables.

The first sensitivity analysis presents the results when including all benefits, including benefits to Canadian firms using this corridor for rail shipments as well as the VMT-based benefits of reduced truck shipments on US and Canadian roadways. Using a 7 percent discount rate, the benefit-cost ratio increases from 1.7 to 3.9 and shipper cost savings increase to \$55.1 million. Emission benefits also go up, increasing to \$25.2 million when Canadian activity is included in the analysis. With the shipper cost adjustment, the Net Present Value becomes \$30.8 million. The average annual CO2 savings also increase to 20,990 tons. In other words, this project is expected to produce significant benefits to the US and even larger benefits when considering total benefits to the US and Canada.

The second sensitivity analysis is focused on accelerating the pace of transition to the upgraded allowance of 286,000 pound rail cars. Rather than a gradual phase-in of heavier loads of freight per railcar, it tests the benefits of immediately converting all rail cars to this higher weight. This acceleration in the growth of freight tonnage per railcar increases the BCR to 2.0 and the Net Present Value to \$10.6 million. The average annual CO2 savings also increases 5,120 tons per year.

### **Job Creation and Economic Stimulus**

Construction of this project is expected to occur over a period of two years. All engineering will be finished during the first part of 2011 with construction beginning in April 2011. Construction will occur from April 2011 through October of that year, with a break for the winter months. It will be resumed in April of 2012 with an anticipated completion date in October 2012.

In terms of direct on-site quarterly job creation, the number of jobs per quarter will vary, depending on what element of the construction is being completed. Table 2 presents these quarterly estimates. For quarter 1, two engineering jobs will be generated by this project. An outside consultant will be added in quarter 2 of both construction years. During quarters 3 and 4 for both years, 25 jobs will be construction-related, two are railroad engineers, one is a railroad supervisor, and one is a railroad flagman. Overall, 29 jobs will be generated by the project construction.

**Table 2: Quarterly Job Estimates for SLR Rail Upgrade Project**

<b>Quarter</b>	<b>Estimated Jobs</b>
2011 Q1	2
2011 Q2	3
2011 Q3	29
2011 Q4	29
2012 Q1	2
2012 Q2	3
2012 Q3	29
2012 Q4	29

The White House Council of Economic Advisors (CEA) provides an estimate of one job created or saved per \$92,136 of government spending from American Reinvestment and Recovery Act (ARRA) funds. Sixty-four percent of the job-year estimate represents direct and indirect jobs, while 36 percent are induced, according to the guidance.

Using the CEA method and assuming an overall project expenditure of \$10 million, it is estimated that 108 job-years will be created by the construction investment in the SLR rail project. For this project, that translates to 69 job years that would be generated directly and indirectly with the remaining 39 job years induced.

The improved rail and ability to accommodate 286,000 pound railcars is likely to spur current customers to transport more freight and potential customers to consider rail transport of their goods. This may increase economic development in an area of New England that is economically disadvantaged. With the improvements, the railroad will continue to offer its existing and new customers international and national access. With the ability to carry heavier rail cars, freight-dependent businesses will gain some shipper cost savings, which may support business expansion of jobs in the local area.

## **Secondary Selection Criteria**

### **Innovation**

The St. Lawrence and Atlantic Railroad will utilize the latest rail materials in its construction efforts. Existing rail will be replaced by continuous welded, control-cooled rail that has an expected life of 60 plus years.

### **Partnership**

Matching funds for the project will be provided by the St. Lawrence and Atlantic Railroad. Since the start of the rail upgrade, the SLR and State of New Hampshire have worked in close partnership to upgrade the railroad line for freight service, and will continue to do so in the future. NHDOT has provided both state and federal funds for past railroad improvement projects to begin the process of bringing the freight line up to industry standards capable of handling heavy rail cars. The State of New Hampshire committed \$850,000 in state capital (bond) funds in the 2010-11 budget to match federal and railroad funds for this project, in recognition of its importance to the North Country Region. The state has also provided revolving loan funds and Local Rail Freight Assistance funds from the Federal Railroad Administration to prior improvement projects on the St. Lawrence and Atlantic line. The railroad has also received Federal and state funds from Vermont and Maine for the rail upgrade projects in those states.

The SLR rail upgrade project has the backing of many government and industry leaders who have submitted letters of support as part of this application. They include:

1. Governor John H. Lynch, State of New Hampshire



2. Senators Patrick Leahy and Bernard Sanders and Congressman Peter Welch of Vermont
3. Senator John Gallus, New Hampshire Senate District 1
4. Senator Vincent Illuzzi, Chair, Vermont Senate Economic Development, Housing and General Affairs Committee
5. Representative Patrick Brennan, Chair, Vermont House Transportation Committee
6. Executive Councilor Raymond S. Burton, State of New Hampshire Executive Council
7. Commissioner George M. Bald, State of New Hampshire, Department of Resources and Economic Development
8. David C. Dill, Secretary of Transportation, Vermont Agency of Transportation
9. Steven Patterson, Executive Director, Northeastern Vermont Development Association
10. Patrick MacQueen, City Manager, City of Berlin, New Hampshire
11. Harold I. Bumby, President, The Maine Wood Treathers, Inc.
12. Drew Gilman, President, NEPW Logistics
13. Steven D. Griffin, Senior Vice President, Isaacson Structural Steel, Inc.
14. Michael Cella, President, Fore River Distribution Center
15. Richard C. Pelletier, President, RCP Transit

## **Project Readiness and NEPA**

### **Environmental Issues**

Project engineering is largely complete, and the scope of project will be covered by a categorical exclusion. This project is "shovel ready" and can largely begin within six months of availability of funding. The Categorical Exclusion Checklist environmental documentation is included as an attachment to this application.

### **Reporting**

The New Hampshire Department of Transportation has successfully implemented hundreds of significant Federal projects, including American Recovery and Reinvestment Act projects. Monthly reporting for individual ARRA projects, for example, that details project status and employment data, including payroll, number of employees on each project and hours worked, are currently being collected and posted on respective state ARRA web pages. Similar information

would be collected and used for the SLR rail upgrade project to document and evaluate its performance.

### **Labor Compliance Tracking**

Labor compliance personnel are currently employed to communicate and prescribe practices and procedures required to effectuate the Equal Employment Opportunity (EEO) provisions for all federally funded contracts in accordance with the Federal Highway Administration's Contractor Compliance requirements outlined in 23 CFR 230, Appendix A of Subpart C, Part I.

### **State and Local Planning**

The SLR Rail Upgrade Project will be included in the State Transportation Improvement Program (STIP) following grant award. The STIP is amended several times during the fiscal year, and an amendment will be prepared to include the grant funds. The approval of a STIP amendment involves a public participation process including an opportunity to comment, and approval by regional planning commissions/metropolitan planning organizations.

### **Federal Wage Rate Certification**

Attached

### **Material Changes to Pre-Application**

Not Applicable